

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-10 ISO-00 OES-09 DOE-15 SOE-02 ACDA-12  
CIAE-00 INR-10 IO-13 L-03 NSAE-00 NSC-05 EB-08  
NRC-05 DODE-00 SS-15 SP-02 CEQ-01 PM-05 SAS-02  
AID-05 CEA-01 COME-00 H-01 INT-05 OMB-01 ICA-11  
STR-07 TRSE-00 /161 W  
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R 251621Z AUG 78  
FM AMEMBASSY OTTAWA  
TO SECSTATE WASHDC 8472  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY PARIS  
AMEMBASSY TOKYO

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DEPARTMENT FOR OES/NET; EUR/CAN  
DEPARTMENT PLEASE PASS DOE/HELFRICH

E.O. 11652: N/A  
TAGS: TECH, ENRG, CA  
SUBJECT: FUTURE OF QUEBEC NUCLEAR PROGRAM

1. AN ARTICLE IN AUGUST 25 TORONTO "GLOBE AND MAIL"  
DISCUSSES THE POSSIBLE IMPACT ON QUEBEC'S NUCLEAR POWER  
PROGRAM OF THE RECENTLY ANNOUNCED \$155 MILLION FEDERAL  
BUDGET CUT IN ATOMIC ENERGY PROGRAMS.

2. OF THE \$155 MILLION CUT, THE FEDERAL GOVERNMENT  
ELECTED TO TAKE \$150 MILLION FROM THE LA PRADE HEAVY WATER  
PLANT, WHICH IS UNDER CONSTRUCTION IN QUEBEC, BY DEFERRING  
FURTHER CONSTRUCTION. (THE OTHER \$5 MILLION WILL BE TAKEN  
FROM AECL'S BUDGET.) SOME \$30 MILLION HAS BEEN SPENT TO  
DATE ON THE PLANT AND THE TOTAL COST IS ESTIMATED TO BE  
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ABOUT \$800 MILLION.

3. FROM THE FEDERAL STANDPOINT THIS IS A LOGICAL STEP,  
SINCE THERE IS MORE THAN ADEQUATE PRODUCTION CAPACITY IN  
THE EXISTING HEAVY WATER PLANTS (BRUCE, PORT HAWKESBURY,  
AND GLACE BAY) AND THE LA PRADE OUTPUT WOULD BE SURPLUS  
TO CANADA'S FORECASTED REQUIREMENTS. IN FACT, THE FEDERAL

GOVERNMENT TOLD QUEBEC LAST FALL THAT IT WOULD HAVE TO PURCHASE SOME 1400 TONNES OF THE LA PRADE HEAVY WATER OUTPUT, AS A CONDITION FOR CONTINUATION OF CONSTRUCTION.

4. IN THE NEGOTIATIONS LAST FALL QUEBEC AGREED TO BUILD A THIRD NUCLEAR POWER STATION IN THE PROVINCE IN THE 1980'S AND TO BUY THE HEAVY WATER FOR A FOURTH STATION POSSIBLY TO BE BUILT IN THE 1990'S.

5. THE PRESENT QUEBEC GOVERNMENT IS NOT VERY PRO-NUCLEAR, IN FACT ITS MOST RECENT WHITE PAPER ON ENERGY MADE NO REFERENCE TO NUCLEAR POWER. THE PREVIOUS POSITION OF THE QUEBEC GOVERNMENT WAS THAT THE JAMES BAY PROJECT WAS THE LAST HYDROELECTRIC PROJECT AND THAT NUCLEAR POWER WOULD BECOME A MAJOR FACTOR IN QUEBEC'S ENERGY FUTURE.

6. THIS RECENT CHANGE IN ATTITUDE OF THE QUEBEC GOVERNMENT ALSO PROBABLY INFLUENCED THE FEDERAL GOVERNMENT'S DECISION TO MOTHBALL THE LA PRADE PLANT.

7. THE RECENT FEDERAL BUDGET DECISION ALREADY HAS EVOKED A STRONG NEGATIVE RESPONSE FROM QUEBEC'S ENERGY MINISTER GUY JORON, WHO HAS STATED THAT THE DEAL NEGOTIATED LAST FALL WITH THE FEDERAL GOVERNMENT IS NOW OFF.

8. COMMENT: QUEBEC IS IN AN AMBIVALENT POSITION. IT WANTS THE FEDERAL GOVERNMENT TO CONTINUE WITH THE LIMITED OFFICIAL USE

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CONSTRUCTION OF THE LA PRADE PLANT SINCE THIS WOULD PROVIDE JOBS IN QUEBEC, WHICH HAS HIGH UNEMPLOYMENT. AT PRESENT THERE ARE ABOUT 380 CONSTRUCTION WORKERS AT THE SITE AND SOME 200 ENGINEERS ON THE PROJECT. ON THE FORMER CONSTRUCTION SCHEDULE FOR COMPLETION IN 1982, THE WORK FORCE WOULD HAVE PEAKED AT ABOUT 1500 IN 1981.

9. THE OTHER SIDE OF THE COIN IS THAT THE PARTI QUEBECOIS HAS NOT SHOWN MUCH ENTHUSIASM FOR NUCLEAR POWER AND THERE IS A QUESTION OF WHAT THEY WOULD DO WITH 1400 TONNES OF WATER FROM LA PRADE.

10. IN ANY CASE, THE FEDERAL/QUEBEC GOVERNMENTS WILL HAVE TO RENEGOTIATE A DEAL, IN LIGHT OF THE FEDERAL DECISION TO DEFER CONSTRUCTION. IT IS OUR GUESS THAT THIS WILL INVOLVE AN ORDERLY PHASE-DOWN OF CONSTRUCTION TO MINIMIZE THE IMMEDIATE IMPACT ON EMPLOYMENT IN QUEBEC.

11. WITH LA PRADE BEING MOTHBALLED, IT IS CLEAR THAT THE COST OF THE PLANT WILL ESCALATE SUBSTANTIALY WHEN AND IF THE PROJECT IS RE-INITIATED.

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NUCLEAR FUELS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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**Office:** ACTION EUR  
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